

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
WEDNESDAY- -JULY 7, 2010- -6:00 P.M.

Mayor Johnson announced that the City Council attempted to hold a Closed Session meeting tonight on a matter of existing litigation; given the seriousness of the investigatory report against Councilmember Tam and given a concern expressed by a party to the existing litigation questioning the confidentiality of the closed session, Councilmember Tam was asked to voluntarily remove herself from the closed session; Councilmember Tam refused; as a result, the City Council did not proceed any further; the City Council and staff were unable to conduct the City's business; however, under the circumstances, we need to strive to maintain the integrity of the City process while we wait for the decision of the District Attorney.

Councilmember Tam stated that she would not be intimidated; as an elected public official, she still has a job to do and will continue to do it.

(10-347) Conference with Real Property Negotiators; Property: 2221 Harbor Bay Parkway; Negotiating parties: City of Alameda and SRM Associates; under negotiation: Price and terms. Not heard.

(10-348) Conference with Legal Counsel – Existing Litigation (54956.9); Name of case: Collins v. City of Alameda (Boatworks). Not heard.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA), AND
COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
WEDNESDAY- -JULY 7, 2010- -7:32 P.M.

Mayor Johnson convened the meeting at 7:34 p.m.

Roll Call - Present: Councilmembers deHaan, Matarrese, Tam, Gilmore and Mayor Johnson – 5.

Absent: None.

Consent Calendar

Councilmember/Board Member/Commissioner Matarrese moved approval of the Consent Calendar.

Vice Mayor/Vice Chair/Commissioner deHaan seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*10-349 CC/ARRA/10-51 CIC) Minutes of the Special Joint City Council, ARRA and CIC Meeting held on June 1, 2010; and the Special Joint City Council and CIC Meeting and the Special Joint City Council, ARRA and CIC Meeting held on June 15, 2010. Approved,

City Manager/Executive Director Communication

(10-350 CC/ARRA/10-52 CIC) Semimonthly Update on SunCal Negotiations

The Deputy City Manager – Development Services provided an update on SunCal activities since the June 15th meeting.

Councilmember/Board Member/Commissioner Gilmore inquired whether staff and SunCal closed the loop so that the EIR is moving forward and about the status of the process.

The Deputy City Manager – Development Services responded the notice of preparation went out and the EIR process was kicked off; stated the key element is the project description, which staff has been finalizing; if the City moves forward with SunCal beyond after July 20th, the project description will be ready and the EIR process will continue.

(10-351 CC/ARRA/10-53 CIC) Presentation on SunCal Modified Optional Entitlement

Application (MOEA)

The Deputy City Manager – Development Services gave a Power Point presentation on the SunCal Modified Optional Entitlement Application.

Councilmember/Board Member/Commissioner Tam inquired if the submittal of the consolidated supplemental documents made the MOEA complete, to which the Deputy City Manager – Development Services responded in the affirmative.

Councilmember/Board Member/Commissioner deHaan stated in an October 2009 closed session, SunCal's request for an extension was turned down.

The Interim City Manager/Executive Director stated an extension was also requested in June 2009.

Jim Musbach, Economic & Planning Systems (EPS), and the Deputy City Manager – Development Services gave a Power Point presentation on the OEA pro forma and fiscal neutrality.

Vice Mayor/Board Member/Commissioner deHaan inquired whether there is an analysis of sea-level rise and the levy system.

The Deputy City Manager – Development Services responded the issues regarding sea level rise and the infrastructure requirements were not part of the analysis, but staff has looked at the issue and SunCal provided infrastructure plans; the City's Civil Engineers have reviewed the plans, and still have questions; the pro forma, includes fill to mitigate 18 inches of sea level rise and possible easements to allow for a future levy system if the sea level rise exceeds 18 inches.

Vice Mayor/Board Member/Commissioner deHaan inquired if there is a cost analysis on the levy system, to which the Deputy City Manager – Development Services responded in the affirmative; stated there are preliminary cost estimates.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the remediation or foundation requirements for a 5 or 6-story building was included in the evaluation, to which the Deputy City Manager – Development Services responded in the affirmative: stated that the direct construction cost for multi-family buildings was found to be reasonable.

Vice Mayor/Board Member/Commissioner deHaan inquired if pro forma includes the loss of approximately \$2 million a year, which will occur when the buildings that are currently producing lease revenue are demolished.

The Deputy City Manager – Development Services responded revenue is not estimated

as a phase gets taken down, with exception of the MARAD lease; stated less and less lease revenue is assumed as the project progresses.

Councilmember/Board Member/Commissioner Matarrese inquired if the loss is included, to which the Deputy City Manager – Development Services responded the implied loss is implied and is in the calculation.

Mayor/Chair Johnson inquired if calculations were run without tax increment, to which the Deputy City Manager – Development Services responded in the negative; stated the focus was on the issues with SunCal; staff wanted to hold as much constant to see the impacts of particular assumptions; an analysis can be done, it just has not been done.

In response to Mayor/Chair Johnson's inquiry about impacts, the Deputy City Manager – Development Services stated the impact on the bottom line could be pretty significant for the approximately \$211 million in total bonds from both the non-housing and the housing tax increment.

Councilmember/Board Member/Commissioner Gilmore inquired whether sale listings, as opposed to sold homes, were included when valuation was calculated.

Mr. Musbach responded the current information is what EPS and staff could get at the time.

Councilmember/Board Member/Commissioner Gilmore inquired whether or not there were enough actual sales to run the calculations.

Michael Neeman, EPS, responded staff looked at Bayport sales in comparison to citywide sales to forecast Alameda Point home values; stated EPS staff reviewed the current listings to check if projections are consistent with Alameda Point values to date.

The Deputy City Manager – Development Services stated there is a graph in the market report that shows Bayport listings compared to citywide sales; four units have been sold in the Grand Marina project; square foot costs were reviewed and are consistent with the listing costs for the Bayport project.

Councilmember/Board Member/Commissioner Tam inquired about the financial feasibility implications; stated the results indicate an Internal Rate of Return (IRR) of -12% if public subsidies, property management, adaptive reuse, and commercial program assumptions are not addressed.

The Deputy City Manager – Development Services responded the -12% assumption used the recommended EPS and Public Works revenues and costs; the analysis started with the SunCal baseline; then, the assumptions deemed to be more realistic were made; since there was disagreement on some of the assumptions, staff did not want to

change anything; underlying assumptions embedded in the analysis still have to be determined and negotiated.

Councilmember/Board Member/Commissioner Tam inquired how much would the IRR gain if the assumptions are revised.

The Deputy City Manager – Development Services responded SunCal is requiring an IRR of 20 to 25%, so -12% is not a feasible project; stated staff tested the sensitivity; using SunCal's assumption for the single family home values, the IRR increases by 10% points; assuming the average single family price premiums, the IRR increases by 3% points; with SunCal's single family direct construction costs, the IRR increases by 8% points; the cumulative effect of these three changes result in the 14% IRR rather than the -12% IRR, which is still well below the 20 to 25% required by SunCal in the ENA; the three changes do not add up to 14% is because a compounding effect happens when you add of the changes into the pro forma at the same time; moving forward on a project with unrealistic assumptions presents significant risks to the City and to the developer.

Councilmember/Board Member/Commissioner Matarrese inquired whether the land payment is still an absolute figure of \$108 million or is the premium per house above a threshold that adds up to \$60 million, assuming \$40 million for cleanup, to which the Deputy City Manager - Development Services responded SunCal's proposal is a \$10 million up-front payment and \$50,000 per unit starting with the first unit in phase three, which is different than what was in the draft term sheet agreed to with the Navy, but does add up to \$108 million.

Mayor/Chair Johnson inquired if there is another possibility that the developer could come back to the City to renegotiate the deal, to which the Deputy City Manager – Development Services responded in the affirmative; stated if SunCal is unable to fulfill requirements and scale back on the assessments promised, they would have to come back to renegotiate in order to keep the deal.

Councilmember/Board Member/Commissioner Gilmore inquired about a discussion a while ago regarding holding the developers feet to the fire and having protections and a phasing approach to try to ensure that the City would get what is important to the community.

The Deputy City Manager – Development Services responded staff would absolutely want to incorporate all of those things into the DDA; stated ultimately, the bigger issue is whether to move forward on a project that is financially risky for the City or one that has the financial performance or underpinnings for an entirely feasible project so the City is not left with unfinished phases.

Councilmember/Board Member/Commissioner Gilmore stated the Navy ultimately has

to get paid and that needs the same security as well.

Mayor/Chair Johnson inquired whether the Navy has reviewed the pro forma, to which the Deputy City Manager – Development Services responded in the negative; stated staff has not engaged the Navy regarding the pro forma; staff has to collectively be on the same page, and then approach the Navy with what is realistic; staff is not ready to do so.

Mayor/Chair Johnson inquired how much is currently in the pro forma for the transportation solutions, including the relocation and construction of a new ferry terminal and Bus Rapid Transit (BRT) within the City, to which the Deputy City Manager – Development Services responded an estimate of \$60 to \$80 million.

Councilmember/Board Member/Commissioner Gilmore stated the question she has always asked is how much density is needed in order to make transit work, which may be a very different number than how much density is needed to make the project itself work.

The Deputy City Manager – Development Services stated upcoming slides in presentation should answer part of the question; the ultimate conclusion is that the Transit Oriented Development (TOD) programs make a difference and significantly reduce the impacts associated with traffic; however, the solutions do not eliminate all impacts.

The Planning Services Manager gave a brief presentation on TOD.

Councilmember/Board Member/Commissioner Gilmore stated the City is not looking to AC transit to fund additional bus lines, but looking for the project to spin-off enough money to pay for additional transit services.

Mayor/Chair Johnson stated the price for the homes and added fees do not seem realistic.

The Deputy City Manager - Development Services stated staff agrees and has concerns as to whether the project is going to be able to support fiscal neutrality and if there really is enough value to support assessments.

Vice Mayor/Board Member/Commissioner deHaan inquired whether there are examples of TOD, how the development was financed, what kind of surcharges are required to make it work, and what safeguards make sure TOD lasts.

The Planning Services Manager responded there was a similar approach to Alameda Landing, which is not built out yet; an assessment, not something that can easily be changed later, is needed to ensure an ongoing, annual source of money; studies of how

much other developments charge for transit have been reviewed.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the City could require surcharges for the development to mitigate the problems that will occur within the rest of the City due to of the development.

The Deputy City Manager – Development Services responded the assumption is that the project has to be able to support the cost of any required annual operating subsidy, even if users outside of the City use it.

Councilmember/Board Member/Commissioner Tam inquired if there has been a sensitivity break point analysis between the total cost and the total number of units needed to make the transit robust and feasible not just for Alameda Point, but for the rest of the island, so that the number of car trips is reduced through the tube; gave Vallejo, Mare Island and Lennar as examples where there have been issues of delays; stated there is no way to bring decent transit out to Mare Island, so some units pay \$9,000 a year in assessments; inquired if there has been some sort of breaking point between all competing issues being balanced.

The Deputy City Manager – Development Services responded it is complicated because everything is interrelated; isolating transportation is hard and depends on what is being proposed from a land use standpoint; kinds of densities and values determine what the project can support; an analysis has not been done.

The Planning Services Manager stated the short answer is no, there is not a magic number or a break point because a smaller project generates less annual assessment to run transportation; however, if things do not work out with a smaller project, there is less risk because the smaller project generates less traffic and if the transportation program cannot be funded because of some unforeseen problem, the project would cause traffic impacts than a much larger project; with a larger project and more units, a lot more traffic is generated, but there is also a lot more money generated by additional units; the transportation strategy for Alameda Point has to be a transportation strategy for the rest of the Island; the problem is if the pro forma is overly optimistic and ten years from now all these units have been built and transportation money runs out, there would be a very serious transportation problem.

Mayor/Chair Johnson stated the other fundamental issue is that transportation systems are just not that good; realistically, the City cannot assume that that people will use the transit system.

Vice Mayor/Board Member/Commissioner deHaan stated traffic is outbound in the morning and inbound in the evening; residential is being looked at for the funding stream, instead of light industrial and commercial, which should be looked at for funding.

Councilmember/Board Member/Commissioner Gilmore stated the section of Oakland right outside the tube would be flooded with traffic; the City needs to work with Oakland to mitigate the issue.

Councilmember/Board Member/Commissioner Matarrese stated that he has been asking for the commercial transportation plan since the PDC; the pro forma should be run with a reduced number of units; the commercial aspect is absolutely critical.

Councilmember/Board Member/Commissioner Tam inquired whether there is an estimate or assumption about what portion of the Alameda Point residents would work at the 9,000 replacement jobs at Alameda Point.

Councilmember/Board Member/Commissioner Matarrese stated an estimate has not been done since there is no commercial plan; that he has not seen a reliable number; tax increment is not reliable; keeping the public subsidy as a constant is optimistic on the City's part.

Mayor/Chair Johnson stated the tax increment needs to be addressed; inquired how the difference would be made up if the State keeps taking more and more away.

The Deputy City Manager – Development Services responded staff could run some sensitivity at different levels of public subsidy to see the impact on financial feasibility and bring that to Council at the July 20th meeting.

Vice Mayor/Board Member/Commissioner deHaan concurred with Councilmember/Board Member/Commissioner Matarrese about the commercial and light industry not being identified or analyzed in the pro forma, which is a very substantial void; stated the City should look at the Harbor Bay model and where the marketplace is right now.

The Deputy City Manager – Development Services stated there is no market plan or business plan to really understand the strategy for attracting businesses.

Vice Mayor/Board Member/Commissioner deHaan inquired whether some information could be obtained by July 20th.

The Deputy City Manager – Development Services responded staff would be meeting with SunCal tomorrow and would check on the status of said issue, and also address the school issue, which Mayor/Chair Johnson mentioned; stated the project can be described and falls into the “transit town center” concept of moderate land use densities and a clustering around transit.

Councilmember/Board Member/Commissioner Matarrese requested examples of other transit town centers in the Bay area that are comparable.

The Deputy City Manager – Development Services stated staff would come back on July 20th with examples of existing transit town centers to get a sense of the look and feel.

Mayor/Chair Johnson inquired what kinds of transit serves transit town centers, as BART does not serve Alameda.

Vice Mayor/Board Member/Commissioner deHaan inquired what mechanism is used to make the determination that SunCal and its partners have the financial wherewithal and ability to even enter into a project of this nature, to which the Deputy City Manager – Development Services responded at this point, no financial assurances have been provided to the City.

Mayor/Chair Johnson inquired if SunCal would do the underground infrastructure, to which the Deputy City Manager – Development Services responded in the affirmative; stated SunCal would do the horizontal or backbone infrastructure to serve the project; SunCal prepares the large parcels or super pads of land, which are then sold to the vertical market; vertical builders build what is called in-tract infrastructure within the super pads.

Mayor/Chair Johnson inquired how much SunCal has to come up with for the first 5 years or so.

The Deputy City Manager responded staff would come back on July 20th with said number.

Councilmember/Board Member/Commissioner Matarrese requested that looking at the industrial component be made a priority, regardless of who develops the Base; stated the industrial component is going to serve the original mandate and transportation issues on the Island as regional housing obligation are met.

Speakers: Jon Spangler, Alameda; Nancy Hird, Alameda; Caroline Mines, Alameda; Nancy Rogers, Alameda; Elizabeth Krase Greene, Alameda; Karen Bey, Alameda; William Smith, Sierra Club; Jean Sweeney, Alameda; Nancy Gordon, Alameda; Diane Lichtenstein, HOMES; Corinne Lambden, Alameda; and Ashley Jones, Alameda.

Stan Brown, SunCal, stated that he is a little bit surprised by the presentation format, only in the sense that yes, he obviously intends to respond to some of the comments raised by the City staff and consultants; SunCal also has its traffic engineer, Jim Daisa, here to give a presentation on the traffic program for the community and the plan; that he expected to talk immediately after staff's presentation.

Mayor/Chair Johnson stated that she would have called Mr. Brown earlier but she

thought he was here for questions and did not know he had a presentation.

Mr. Brown stated there are a number of things SunCal obviously disagrees with in the staff report; thanked the Deputy City Manager – Development Services and the Planning Services Manager for help in completing the application process and finding it finally deemed complete, and also for continued efforts in the weekly meetings; stated they are professionals and he very much appreciates the continuing dialogue that SunCal has had with them and looks forward to doing it [dialogue] in the coming months; a couple of weeks ago, Vice Chair/Board Member/Commissioner deHaan asked both staff and SunCal not to come back here with a cat fight over statistics and facts; as staff indicated, information has been traded back and forth over the last several weeks; unfortunately he, nor anyone on his team, received the pretty extensive and detailed report both from staff and the City's consultants until Friday of last week, just before the holiday weekend, so it has been relatively difficult for SunCal to digest the information and give a more comprehensive report; that he disagrees with many of the conclusions presented tonight; turning to some of the areas where there was conversation, and probably the first one talked to is home valuation; a lot of time was spent on that [home valuation]; that he gave extensive comments several weeks ago at a prior review; putting aside all the numbers, SunCal has had conversations with the City's consultants extensively on valuation; there is a fundamental disagreement between the way SunCal views the piece of property, the project SunCal proposes to build, and the way, apparently, the City looks at it; although the community of 4800 homes and millions of square feet of commercial will be built in Alameda, is intended to be integrated into the community of Alameda, can be a part of the City of Alameda and the marketplace, both on the commercial level, as well as on the residential level, it is not simply Alameda [involved]; SunCal views the property and opportunity, as something that is going to be an asset to the entire Bay Area; when looking at valuations and comps, SunCal looked at current sales across the entire Bay Area; SunCal looked at areas in the East Bay, as the City's consultant did, and also looked at areas in San Francisco; SunCal does not comp to a bigger size house in San Francisco; similarly, houses in other parts of the East Bay may need to be increased; SunCal looked at the totality of the market and said this is not a community of 100, 200, or even 400 homes; this is a community of 5,000 new home sites, it is a destination that is going to be a significant piece of the residential and commercial marketplace in the Bay Area for years and years to come; the amenities designed into the project support that and to simply go back and look at, as the report appears to do, that is the fundamental difference; all the details and numbers can be discussed; saying the project is simply an Alameda project that needs to be compared to Alameda comps comes to a different conclusion than SunCal's project view; said view of the project has not changed on over the last three years; SunCal has always expressed the vision of the project as much larger than just another subdivision in a wonderful community; that is the fundamental difference.

Mayor/Chair Johnson inquired whether the \$1,042,000 home price is medium home

price; said number is from single-family detached home price projected in the pro forma.

Mr. Brown inquired what is the context when you say “medium.”

Mayor/Chair Johnson responded typical; inquired are all the homes going to be that price.

Mr. Brown responded of course not, no.

Mayor/Chair Johnson inquired then what is it [the \$1,042,000 price].

Mr. Brown stated it is the single family detached home value for a 2,500 square foot home.

Mayor/Chair Johnson inquired what community does that compare to now.

Mr. Brown responded, frankly, SunCal does not think there is any one community that you could go and say that house is equal to that house.

Mayor/Chair Johnson inquired what community has a home price where single-family homes are selling for that much.

Mr. Brown stated SunCal’s methodology and approach, which is typical of its approach to all larger master planned communities, is to review the totality of what is perceived to be the primary market area for the community; where the customers are going to be coming from and what are the other choices that they will be looking at; then, SunCal applies appropriate adjustments to home values based upon whether the location has more home value or less value; SunCal goes around an entire area to look at a large number of comparables and areas and finally comes to a valuation that it feels comfortable with; that is SunCal’s approach; unfortunately, he cannot point to one versus another.

Mayor/Chair Johnson inquired what community would compare in price, perhaps Danville; stated that she does not think any community around here has single family homes that sell for \$1,042,000 plus all the fees; there may be an occasional home within communities, but not a whole community of single family homes that sell for a over \$1 million; so she is asking what community it would compare to.

Mr. Brown stated that he does have that information here today, because that is not how SunCal looks at it; that he would be happy to have information at the next meeting; the question is fair and he sees where Mayor/Chair Johnson wants the comparisons; that he would attempt to make that [information] available; further stated there is disagreement with the approach; at least now there is agreement to value home square footage to square footage; if the City is looking at comps from recent sales in Bayport,

then there is a fundamental disagreement; SunCal thinks the City is looking at the wrong place to judge single family homes of a 4,800 unit community; a lot of time was spent on the matter a couple of weeks ago, so he does not want to belabor it because frankly, not much has changed since that time; he shared an exhaustive premium analysis from every block of the development with the City Council and staff in early January of this year; premiums are values above the base price of the home because of location, proximity to features, views of downtown San Francisco, or the water all of these premiums are easily annexed onto properties; SunCal came up with its premium analysis and that was its methodology; 1% is a typical premium used for a flat piece of property in the middle of nowhere; there are premiums for oversized lots, for cul-de-sacs, corner lots, etc.; that [1%] is the number that he typically puts into pro formas; that he does not understand why a detailed analysis was not done, on such a unique location; that he heard negative use was taken into account; he has not seen the analysis other than said statements; SunCal views every feature of the community, such as the existing buildings that will remain and be put into adaptive reuse and the harbor uses, as positives to the community, not negatives; SunCal views the project as a unique opportunity for an incredible architectural and land planning statement; further stated SunCal agrees with the absorption numbers that EPS has come out with; SunCal is happy with the numbers, which there are somewhat more conservative than SunCal numbers; for the record, SunCal does agree with them [numbers]; the issue of construction costs and SunCal's pretty exhaustive survey of 15 to 20 builders of projects for various types of construction, SunCal detailed construction costs builders are currently experiencing, made that information available, used that to develop estimates; that he does not understand the comment about making sure to include union wages, which are absolutely included in SunCal's number; SunCal stated that on the exhibit and spreadsheet provided, costs from builders that did not include prevailing wage include a 25% premium to costs where appropriate to come to the estimation of direct construction costs; in the last several weeks, SunCal has not received any detail as to how the City's team came up with its number; the one detail is from a prior report that referenced a particular book; –questioned where is the detail on conversations with builders, who did the City talk to and what projects were referenced; SunCal does not have detail so response is difficult; Sun Cal has received from EPS and the staff report, the statement on the project financial performance, which came up with a -12%; SunCal has not gotten to the guts of the analysis; from SunCal's superficial analysis, on Table 2 of the June 2010 Alameda Point Financial Feasibility Analysis, EPS has increased home sizes from the pro forma size for the 30-unit 1,200 square foot product and the 1,700 unit 1,400 square foot product to 1,500 and 1,900 square feet respectively; the analysis increases the size of homes, increases the prices, increases construction costs, and then tells SunCal it is upside down.

Mayor/Chair Johnson inquired whether Mr. Brown is aware of an investigatory report prepared by Mr. Colantouno that was presented to the Council last night and made available to the public.

Mr. Brown responded that he has heard, seen some blogs emails and stuff like that, yes.

Mayor/Chair Johnson inquired whether Mr. Brown has had the opportunity to review the reports, to which Mr. Brown responded in the negative.

Mayor/Chair Johnson inquired whether Mr. Brown is aware that he is included in the report as having received unauthorized and/or illegal communications from Councilmember/Board Member/Commissioner Tam.

Mr. Brown stated that he does not believe he has ever received communication from Councilmember/Board Member/Commissioner Tam.

Mayor/Chair Johnson stated that is not what she is asking; clarified that she is asking Mr. Brown if he is aware that the report has evidence of that.

Mr. Brown inquired of him receiving [communications].

Mayor/Chair Johnson clarified not Mr. Brown personally, SunCal.

Mr. Brown responded yes, he is aware that they have alleged that, yes.

Mayor/Chair Johnson stated that she would recommend that SunCal review the report because SunCal is a pretty significant part of the report; inquired if the City Attorney made the request, would SunCal return all privileged or illegal communications, at least the written portions.

Mr. Brown responded attorneys are involved; so he would have to ask his attorneys; stated in general, he thinks SunCal have no philosophical problem with it; in his conversations today with the members of his staff and the SunCal staff and team, SunCal absolutely cannot believe anything inappropriate has occurred; to the extent that Mayor/Chair Johnson is asking a legal question, he would have to defer to legal people; in general, SunCal would be happy to disclose that.

Mayor/Chair Johnson stated one of the things that people have asked her over the last few weeks is what would it would take for SunCal to stay in the game; obviously questions about transportation, pro forma, economics, cannot be solved over the next few weeks; one of the fundamental things that she has told people and probably people from SunCal, is SunCal need to show that it is a trustworthy partner; if the City is going to work with SunCal as a partner, the City needs to be able to trust SunCal and have a true partnership; the revelations that came out in the report really hurt SunCal's position, because accepting illegal, unauthorized, attorney-client privileged, violations of the Brown Act communications, are not what a trustworthy partner would do.

Mr. Brown stated that he understood the allegations are not confirmed; in talking with his folks, SunCal strongly believes that nothing inappropriate has occurred; SunCal has communication all the time with the entire Council and City staff; communication occurs all the time, which is common in his experience; SunCal does not believe that anything inappropriate has occurred; that is SunCal's position today.

Mayor/Chair Johnson stated when reviewing the report, SunCal will see that the documents are attached; the fact that communication occurred, is not disputed; Mr. Colantuono is a highly regarded expert in the area; he is an attorney for the League of California Cities, he has done a very thorough job of reviewing the matter and providing his opinion, which is available to the public.

Jim Daisa, Kimley-Horn and Associates, stated the presentation which was developed over the past few months, was developed for a different context, and was not prepared for tonight; SunCal hired him because he has been doing this for 20 years has been working in the Bay Area on transit oriented development for that long, and has worked with Peter Calthorpe since the beginning; SunCal knows that he does not rubber-stamp any project and call it TOD until he is very comfortable that it can perform like true TOD; contrary to what was said tonight, TOD is not a cute development ploy; it works; it has been around for a long time; there is a lot of empirical data here in the Bay Area that shows that it reduces traffic by half of what similar amounts of development in suburban areas do; it is just a fact at this point; there is plenty of data to show that the location is ideal location for self selection, for people who use transit; the project is going to attract people who work in San Francisco because it is an ideal location with good high speed transit to San Francisco, which is subsidized; the project is going to attract a lot of people, young professionals, couples, families that self select these types of developments; in the Bay Area, transportation costs combined with housing costs are a family's single biggest expense; if families can find a way to reduce transportation costs through transit, they will select to live in a place that provides that; items in the strategy need to work together and are part of what TOD is; first and foremost is the land use, not that it is oriented toward transit, it is the density, the right mix, the way it looks, the way it feels because it creates a place that people want to live, work, and all that; the environment encourages people to use transit; the project is oriented toward transit and served by multiple forms of transit; there is a pedestrian and bicycle trail network, focused, but not just in the project itself, connecting to the rest of the Island because what SunCal is trying to do with the transportation system is integrate it into Alameda and let it serve everybody on the Island, not just the Alameda Point development; all of the transportation strategies are available to the rest of the Island as well; beyond the capital program, an important aspect will be the Transportation Demand Management (TDM) program, which is an intentionally designed, flexible program that is monitored annually in perpetuity; the TDM program includes the soft things that encourage people to use alternate modes of transportation and there are many other benefits to TOD other than just reduction in traffic, including improved health for the community because they could get physical exercise in an atmosphere and environment that is pleasing; the

project was designed by the Peter Calthorpe who coined the term TOD and first came up with the concept; Mr. Calthorpe has a series of design principles that he has worked on for over 30 years to get it to the point where the land use, the built environment and the transportation system all work together; the project has all the features that are part of the true definition of TOD: range of housing densities, diversity of commercial uses, vertical mixed use, horizontal mixed use, everyday conveniences so that people are not forced to get into their car and drive to do everyday errands because it is within walking distance; people can choose to walk or drive their cars a short distance, but still remain in Alameda Point; TOD is proven and demonstrated in the Bay Area; he has even done some research for the State of California; surveys have shown that TOD produces half or less traffic than similar forms of development in suburban areas without transit; the project is designed to be accessible to transit; most of the project, about 85% to almost 90%, is within a ten minute walk of the center transit terminal which will be the ferry terminal and where the BRT system comes through; the State of California has created a check list that has the best way to tell if a project is TOD; that he has gone through the checklist; the project has everything on the checklist ; further stated the components of transit plan are: high frequency transit to BART; priority improvements will be made along the routes being proposed for the phased BRT system to both the 12th Street and the Fruitvale BART stations; there will be direct ferry service to San Francisco from the Seaplane Lagoon by bifurcating from the Oakland service; that he is meeting with WETA tomorrow to go over the financial analysis and ridership analysis that SunCal prepared; an intermodal transit center serves the ferry and bus system; free transit passes to all residents, which is a motivation to use public transportation ; a shuttle system that goes to the 12th Street BART station is in the first phase of development; the shuttle goes every 15-minute during peaks and only stops on site, but off-site people can use it if they wish; in phase three Rapid Bus will start; the system does not have a dedicated lane, but operates with a transit priority options on the street, such as queue jump lanes to bypass congestion at intersections, and triggering traffic signals to work in favor of transit; in the forth through fifth phase, BRT is introduced, which has dedicated travel lanes on the proposed corridor; the proposed route starts at the ferry terminal intermodal center and travels along the Lincoln Avenue and Tilden Avenue corridor to get to the Fruitvale BART station; stations are being located at half mile intervals, which is about the distance BRT should be located; a route also goes to the 12th Street BART station; 50% of Alameda residents have one car or no cars and at least one member of the household likes to use transit; 16% of Alameda residents take transit to work already, which is one of the highest transit mode shares in the entire Bay Area; 34% of Alameda residents are within a 5-minute walk of the [BRT] route, which makes 25,000 people and 11,000 households served by the route.

Mayor/Chair Johnson inquired whether resident means a resident over a certain age.

Mr. Daisa responded in the negative; stated all residents are accessible here.

Mayor/Chair Johnson clarified that she is asking whether the 50% of residents who own

zero to one vehicle includes children.

Mr. Daisa responded in the negative; stated the statistic is actually 50% of households.

Mr. Daisa stated providing a rapid transit system that serves the entire residency and employees achieves an additional 4% ridership, or 6% or even 8% more ridership from existing residents or employees; the percentages can reduce the cars in the tubes and bridges by 600, 900 or 1200 in each peak hour, which is equivalent to increasing the capacity of the tubes by 15% to 30%; if 8% can be achieved, 30% capacity can be gained in the tube, which is the equivalent of adding a lane to the tubes; there is a way to gain capacity through transit operations; the ferry service is in two phases; phases one and two of the development use, the current Main Street terminal ferry service the new ferry terminal is constructed in phase three and the two systems from Oakland and from the Seaplane Lagoon are bifurcated; SunCal has done a financial analysis and will talking to staff and WETA tomorrow; showed maps indicating the existing system and the system after phase three to five; stated an onsite full time TDM Coordinator position is included

Councilmember/Board Member/Commissioner Tam inquired what is a kiss and ride zone.

Mr. Daisa responded a spouse or significant other drops you off, kisses you goodbye and says go make money and I will pick you up when you get back; continued the presentation; stated BRT is not just another bus and is really a light rail train on rubber wheels; new vehicles, new systems and new technology make BRT work; BRT targets choice riders, not transit-dependent people who always use transit; choice riders are people who own cars but want to choose to use a good, comfortable form of public transportation because it works for them and is attractive; BRT have dedicated lanes on either on the inside or the outside of the street; in SunCal's proposal, lanes are probably on the outside; BRT has very nice stations, which are attractive, comfortable, high-amenity facilities and use real-time technology like BART, so riders always know how long the next bus will be to the minute; BRT has fast boarding; tickets can be purchased before getting on the bus and there is loading at both doors; the buses can trigger the signals to move through signals faster; if a dedicated lane is not being used, buses can bypass congestion at the worst intersections and get a jump on cars; SunCal has a pretty comprehensive pedestrian, bicycle and trail network that integrates and connects with the existing Alameda system and provides facilities for the rest of the Island at the recreational and transportation level; TDM is a series of programs, measures, incentives, or even disincentives to change peoples' travel behavior; a whole series of programs have been around for decades; TDM works great in some circumstances, and does not work great in others, which is why projects have to have a menu and need flexibility to apply appropriate measures and adjust measures over time; SunCal proposes a tier series of measures, which is simply a menu; SunCal would work with staff on implementing measures at different tiered levels; measures will be monitored

every year and those working will be kept; measures not working will be adjusted or changed; different tiered set of measures are used and get increasingly more stringent; reviewed the duties of the Alameda Point TDM Coordinator and the tier measures; stated the program, combined with the capital improvements and transit system, is the best way to get transit-oriented development to work; the City does not have to take his word that the project is going to provide more mobility for Alameda and mitigate impacts, the City's two transportation consultants will do a pretty extensive EIR to validate SunCal's program; if parts of the program do not work, the consultants will suggest a way to change it; the program will be completely vetted through the City's consultants who will analyze the entire Island and parts of Oakland; further stated a transit feasibility study will go on at the same time; the City's consultant is looking at SunCal's proposed route along Lincoln Avenue and about four other options to find the best way to provide the phased transit system; either the Lincoln-Tilden route will be validated, or the consultants will come up with a different route; there is clear data from years of collection that TOD works and really does reduce traffic when compared against the same type of suburban single family, low density, low intensity development that happens all over the Bay Area.

Councilmember/Board Member/Commissioner Matarrese stated that he commutes on the 72R, which goes on Broadway and San Pablo Avenue, and knows Lincoln Avenue because he comes to City Hall on Lincoln Avenue; that he is trying to imagine rapid buses run by AC Transit in Alameda between Alameda Point and the Fruitvale BART station actually being rapid; 25 miles per hour [on Lincoln Avenue] is not San Pablo Avenue, which is a broad street where buses get up to 40 to 45 miles per hour; the regardless of how Alameda Point is developed, rapid transit is needed in the City; that he has a hard time understanding how such a short line can be rapid, and also, how it can be funded.

Mr. Daisa stated SunCal will do the best it can with rapid transit given that flow condition will be mixed; so rapid transit runs with cars in mixed flow; before providing a dedicated lane for transit, technology will be used; one is the transit signal priority, the busses can trigger a speeding-up of the signals; the system is not perfect; the San Pablo rapid system works on the same type of technology said system improved travel time by 30%.

Councilmember/Board Member/Commissioner Matarrese stated that he knows rapid transit is very effective, but it could not go 45 miles per hour.

Mr. Daisa stated the average speed less than 20 miles per hour; travel time from one end to the other is less than 20 miles per hour with stops and traffic signals; technology will be used to make it as rapid as possible; the project description commits up to eight queue jump lines; a bypass lane will be included where determined feasible so the bus can pull up and bypass any congested intersection.

Councilmember/Board Member/Commissioner Matarrese stated that he has a hard time

imagining it; suggested a report with details be provided, because to get that average speed of 20 miles per hour on San Pablo Avenue, buses cruise up to 45 miles per hour; there is a speed limit here of 25 miles per hour on purpose Lincoln Avenue is a residential street and much of San Pablo Avenue is not; he thinks buses are absolutely critical for the City, and would love to get the 19 line back along with some of the other cross-Island routes; rapid transit to the 12th Street BART station is rapid until it reaches the tube.

Mr. Daisa stated answers would come through City staff, because staff is coordinating consultants right now; further stated maybe findings will say the BRT system is needed sooner than anticipated.

Councilmember/Board Member/Commissioner Matarrese stated that he is interested in seeing the funding of such a short rapid line by AC Transit or self-funded.

Councilmember/Board Member/Commissioner Tam inquired whether the presentation showed that there are ways to increase capacity through the tube through some operational efficiencies and using BRT.

Mr. Daisa responded in the negative; stated the capacity of the tubes can effectively be increased by reducing the automobile demand in the tubes; the Broadway-Jackson project might be a way off, but so is build out of the project; the Broadway-Jackson project will really improve conditions going through the tube into Oakland and is high priority project, so funding is likely; stated the [Broadway-Jackson] project might take a decade or so to get built, but the [Alameda Point] project will also take some time to build out.

Councilmember/Board Member/Commissioner Tam inquired whether discussion with WETA could be an opportunity to look at areas in Seattle and in Vancouver that have the ability to bring cars and passengers on a ferry to help alleviate some of the car traffic; whether said option is feasible in the project; and whether it would generate reductions.

Mr. Daisa inquired whether Councilmember/Board Member/Commissioner Tam means between Oakland and Alameda.

Councilmember/Board Member/Commissioner Tam responded in the affirmative; stated that would be the obvious choice, or between Alameda and San Francisco.

Mr. Daisa questioned whether people should be encouraged to take cars to San Francisco; stated the question might be for Nelson Nygaard; if people insist on driving, getting cars on the ferry instead of going through the tunnels might pay off; the hop is short and big, big vessels carry cars; suggested Nelson Nygaard be asked if the solution is another feasible way to get cars off Alameda.

AGENDA ITEMS

None.

Adjournment

There being no further business, Mayor/Chair Johnson adjourned the meeting at 10:58 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.